

# **EXHIBIT 2**

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## Steinmetz Sentenced to 5 Years in Jail in Swiss Bribery Case (2)

By Hugo Miller2021-01-22T13:23:36200-05:00

**Beny Steinmetz** was found guilty of bribing a public official to secure an iron-ore mine in Guinea worth billions of dollars, a massive setback to the Israeli diamond and mining tycoon after years of allegations.

Steinmetz was sentenced to five years by Judge Alexandra Banna in a Geneva court Friday. The 64-year-old and two colleagues were convicted of paying bribes of \$8.5 million to Mamadie Toure, the wife of Guinea's deceased former president Lansana Conte to help secure rights to the country's giant Simandou iron-ore mine.



Beny Steinmetz arrives in court in Geneva, on Jan. 22.  
Photographer: Stefan Wermuth/AFP/Getty Images

Steinmetz's investments in African mining have courted controversy and prompted multiple investigations -- but until now no convictions. His lawyers argued he'd only met Toure once and never ordered anyone to pay her. That argument was rejected by Banna and the two other judges who reached their verdict after three days of deliberation.

"The fact that Steinmetz wasn't aware of all details doesn't change a thing," Banna said in a ruling that took two hours to read. "Steinmetz had his hand on the payments and was able to oversee the bribery process."

The verdict is a major blow to Steinmetz, who made his fortune in the diamond trade, as he fights multiple legal battles around the world relating to the mine in the West African country, which he acquired in 2008. The mine was stripped from him in 2012 amid allegations of corruption that have dogged him ever since.

## Big Injustice

After the ruling, a stoic Steinmetz, who remains free, called the ruling a "big injustice." His lawyer said he will appeal all the way to the Supreme Court.

"He never took part in a bribery pact," Marc Bonnant told reporters outside the courtroom, adding the testimony against him was flawed. "There was never any consideration given to the fragility of the testimony of the crown witnesses."

He was referring principally to Toure, who cooperated with a U.S. investigation into the Guinea project. Toure, whose pre-trial testimony contained "lies," according to Steinmetz, was scheduled to appear in Geneva but never attended.

Steinmetz was partially acquitted on some forgery charges, but found guilty on a narrower forgery charge related to the simulated sale of an offshore company as part of the bribery.

He was also ordered to pay a 50-million Swiss franc (\$56.5 million) penalty.

Two other defendants in the case, a French businessman and a Belgian administrator of companies controlled by Steinmetz, were also found guilty of corruption.

## Risk Compensation

Steinmetz is a French and Israeli citizen who lived in Geneva until about 2016. France doesn't extradite its own citizens and Israel doesn't typically either for citizens who are residents at the time of their alleged crime.

The case centers around the giant Simandou iron-ore deposit, the world's biggest untapped deposit. Steinmetz secured rights to half the project more than a decade ago when it was stripped from Rio Tinto, before selling half of its assets to Vale AS for \$2.5 billion. Those rights were stripped from in after he was accused of corruption. He's been investigated in countries including the U.S. and Israel.

While Steinmetz settled the dispute with the Guinean government in 2019, he's faced multiple legal challenges. Vale SA, a Brazilian mining giant, was awarded \$2 billion in 2019 by a London arbitration that found that BSGR made fraudulent representations when it sold the stake to Vale. BSGR has said it will appeal the award to U.K. courts because it doesn't believe it was treated fairly.

During the trial, Steinmetz defended his investment in the mine, telling a Geneva court that the \$5 billion valuation for the site that he secured for less than \$200 million was part of the industry's reward for risk-taking.

"If a business takes a risk, it's normal that it's compensated," Steinmetz said during the trial. The project represented "a dream for Guinea," one that for him, has turned into a nightmare.

Judge Banna took square aim at that in her closing remarks. A profit of billions from an initial investment of \$160 million, Banna said, "just that single fact is evidence of corruption."

(Adds reaction from lawyer in seventh paragraph, judge's comment in final paragraph)

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